

ARS □ CSREES □ ERS □ NASS

Bulletin

Title: 1999 Per Diem Rates and Taxes on Lodging Accommodations

Number: 98-314

Date: December 22, 1998

Expiration: When rescinded.

Originating Office: Travel and Relocation Services Branch, Financial
Management Division, AFM/ARS

Distribution: All REE Employees

This bulletin announces calendar year 1999 per diem rates and a change in how we claim taxes assessed on lodging accommodations.

1999 PER DIEM RATE CHANGES

The General Services Administration (GSA) has issued Federal Travel Regulation (FTR) Amendment 75 on December 2, 1998. This amendment announces calendar year 1999 per diem rates effective for travel on or after **January 1, 1999**. GSA has adjusted or otherwise modified a significant number of rates across the country and added several new per diem localities. The standard CONUS rate for localities without predetermined per diem rates has not changed (\$50 for lodging and \$30 for meals and incidental expenses).

A copy of the new 1999 per diem rates may be obtained on the GSA Website (<http://policyworks.gov>). Headquarters personnel may obtain a copy of the new per diem rates in Room 4324, South Building, or Room 3-2176A, Beltsville Office Facility. A copy has been forwarded to all ARS Area Transportation Assistants and other REE Agency travel contacts. The National Finance Center (NFC) has advised us that the Unified Travel System will be updated to include the new per diem rate changes effective with the new calendar year.

SPECIAL NOTE: Per diem rates are authorized based on the temporary duty location specified on the travel authorization. Further, per the FTR, it is presumed that the employee will obtain lodging at the temporary duty location. Approving officials should be cognizant of this fact and ensure the correct temporary duty location is specified on the travel authorization. If the employee obtains lodging away from or outside the temporary duty location because of personal preference or convenience, the allowable per diem will be limited to the maximum per diem rate authorized for the temporary duty station. If lodging accommodations are not available within the temporary duty location, the agency approving official may authorize, on a case by case basis, lodging in an adjacent locality with a higher per diem rate than that prescribed for the temporary duty location.

The preceding information will be of particular interest for persons traveling to the Washington, D. C., metropolitan area. Effective January 1, 1999, separate per diem rates have been established for Washington, D.C., and the surrounding counties and cities in both Maryland and Virginia. There is no longer a single per diem rate for the greater Washington, D. C. metropolitan area. The temporary duty location cited on the travel authorization will therefore impact per diem rates due persons traveling to the greater Washington, D.C., metropolitan area. If, for example, it is intended that the traveler be on temporary duty in Greenbelt, MD, (Prince George's County), or Fairfax/Arlington/Alexandria, VA, the travel authorization should cite one of those localities, rather than Washington, D. C., as the temporary duty location to ensure the employee receives the correct per diem

rate.

STATE / LOCAL TAXES ASSESSED ON LODGING ACCOMMODATIONS

FTR Amendment 75 allows employees and those traveling for the U. S. Government to claim state or local taxes assessed on lodging accommodations as a miscellaneous expense. **Effective on or after January 1, 1999, only the actual room charge will be included under "Lodging" (for per diem or actual subsistence) and state or local taxes incurred will be included as a miscellaneous expense on the AD-616 or AD-616R, Travel Voucher.**

Travelers should still validate whether a tax exemption applies to the particular state or city and obtain and use a tax exemption certificate where appropriate. This FTR amendment and new ruling does not preclude us from deferring tax where appropriate.

The subject of taxes assessed on lodging accommodations and Federal employee exemption while on official business has been the subject of much controversy and confusion for many years. There is no consistent rule and there is no standard government-wide tax exemption certificate. Exemptions and the need for a tax exempt certificate varies between states, cities, and municipalities across the country. The following information applies:

The Comptroller General of the United States has consistently ruled that the Federal Government is immune from paying state and local lodging taxes when payment is made (directly) by the Government to the vendor by Government purchase order or Government check.

Otherwise, the employee is obligated to pay the tax unless the state or local authority assessing the tax provides a specific exemption for Federal employees on official travel. This is true even though employees are reimbursed for their travel expenses by the Government.

Use of the Government's travel charge card does not alter these rules. Unless the state or local tax authority has specifically established a lodging tax exemption for Federal employees using this form of payment, the Government traveler will be responsible for paying the lodging tax.

Many states, counties, and cities offer tax exemption on lodging for Federal employees on official travel. Some require a completed tax exempt certificate

and official credentials while others only require a copy of the official travel authorization.

Travelers may check with their Travel Management Center (TMC), Area Transportation Assistant, Agency Travel Coordinator or visit the General Services Administration, Travel and Transportation home page (<http://policyworks.gov>) to find the most current tax exemption information for the various states and cities. The FMD Home page Travel and Transportation Section will also include this information in the near future.

Please refer to one of these sources prior to commencing travel and defer state and local taxes when possible.

PENDING FTR Amendment 75 POLICY CHANGES

For information, FTR Amendment 75 also provides for reimbursement of costs associated with laundry, cleaning, and pressing of clothing as a miscellaneous expense rather than an incidental expense. This change has not been adopted by the U. S. Department of Agriculture and will not be implemented within REE until further policy and guidelines have been issued by the Department.

If you have any questions concerning this bulletin or its application please contact your travel office or you may contact Linda Mahoney, Chief, Travel and Relocation Services Branch, Financial Management Division, on 301-504-1307 or E-mail Lmahoney@ars.usda.gov

/s/

S. M. HELMRICH
Director
Financial Management Division